EXHIBIT 1

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA,
SAN FRANCISCO DIVISION
---------- X
ARIA DIAGNOSTICS, INC.,
Plaintiff
vs.

SEQUENOM, INC.,
Defendant.

Case No.: 3:11-cv-06391SI
---------- X
SEQUENOM, INC.,
Counterclaim Plaintiff,
vs.

ARIA DIAGNOSTICS, INC.,

Counterclaim Defendant,
and

ISIS INNOVATION LIMITED,
Nominal Counterclaim
Defendant.
---------- X

1800 Avenue of the Stars
Los Angeles, California

May 23, 2012
9:22 a.m.

VIDEOTAPED DEPOSITION OF JOHN R. STUELPNAGEL, DVM, taken by the Defendants, commencing at the hour of before Lynette Marie Nelson, Certified Shorthand Reporter in and for the State of California.

ELLEN GRAUER COURT REPORTING CO. LLC
126 East 56th Street, Fifth Floor
New York, New York 10022
212-750-6434
Ref: 100613

P R O C E E D I N G S

THE VIDEOGRAPHER: Good morning. The time on the record is 9:22 a.m. Today's date is May the 23rd, 2012.

My name is Javan Heard, contracted by Ellen Grauer Court Reporting.

The court reporter today is Lynette Nelson, also contracted by Ellen Grauer Court Reporting, located at 126 East 56th Street, New York, New York 10022.

This begins the videotaped deposition of Dr. John Stuelpnagel -- Stuelpnagel -- excuse me -- testifying in the matter of Aria Diagnostics, Inc. versus Sequenom, Inc. Counterclaim Sequenom versus Aria Diagnostics et al. Held in the United States District Court, Northern District of California, San Francisco Division, Case No. 311-CV-06391-S1 taken at 1800 Avenue of the Stars, Los Angeles, California.

The video and audio recordings will take place at all times during this deposition unless all counsel agree to go off the record. The beginning and end of each media will be announced.

Will counsel please identify yourselves and state whom you represent.

MR. ROTTER: This is Jonathan Rotter for Sequenom. With me is Alicia Clough and Steve Holmes.

10:34:59 A. There are multiple sources: the first that
10:35:02 comes to mind is our extensive clinical trial processes.
10:35:08 We have more clinical trials and more patients in our
10:35:15 clinical trials than any of our competitors. And so we
10:35:19 believe we are validating our test more extensively than
10:35:26 our competitors. We have also, through those, developed
10:35:29 good relationships for those clinical sites that might
10:35:36 become our customers.
10:35:38 In addition, we think we provide the most
10:35:41 informative result. That whereas our competitors only
10:35:46 provide a quantitative yes/no, positive/negative answer,
10:35:53 we think we more appropriately provide both a
10:35:56 qualitative answer, in our case, we classify that as low
10:36:00 risk or high risk, as well as a quantitative answer,
10:36:04 which is for that individual patient, we can give that
10:36:08 patient and her physician a personalized risk score.
10:36:14 In addition, we think we are making the Harmony
10:36:17 Test the most accessible test in the noninvasive
10:36:22 prenatal diagnostic space through our relationship with
10:36:27 LabCorp, through our pricing strategy, and through our
10:36:34 insurance and reimbursement strategies, making this test
10:36:39 available to physicians and their patients.
10:36:46 And finally, we think we have streamlined the
10:36:51 work flow associated with ordering and receiving our

test. We have access to over 1,000 phlebotomy service centers through our LabCorp relationship. The LabCorp relationship also brings genetic counseling expertise so that we can help physicians understand the results more completely. And we think we have the best customer service available.

Q. How has Ariosa developed good relationships with the clinical sites that might become Ariosa's customers?

A. I think we develop good relationships by being upfront, honest in our communication and being responsive to their needs and concerns.

Q. For the clinical sites involved with Ariosa's validation testing, is it Ariosa's intent to attempt to turn those sites into customers after the testing is done?

A. Our intent is to try to convince every physician who manages pregnancy for women to become customers, and that would include our clinical sites.

Q. Do you believe that Ariosa has an advantage with the clinical sites at which it is conducting validation testing for that eventual commercial conversion?

MR. GINDLER: Objection to the form of the

entire pregnant population"?

A. I see that bullet.

Q. And is it Ariosa's commercial strategy to promote the Harmony Prenatal Test to the entire pregnant population?

A. I think it's correct to say our vision at the Harmony Test, everything we've done is with the goal of making this wonderful technology available to all pregnant women. In terms of how we're positioning it today in the marketplace, I think we try to be very clear that our test is available for physicians to consider for all pregnant women. We make no restrictions -- we place no restrictions on those physicians on how they choose to order our test.

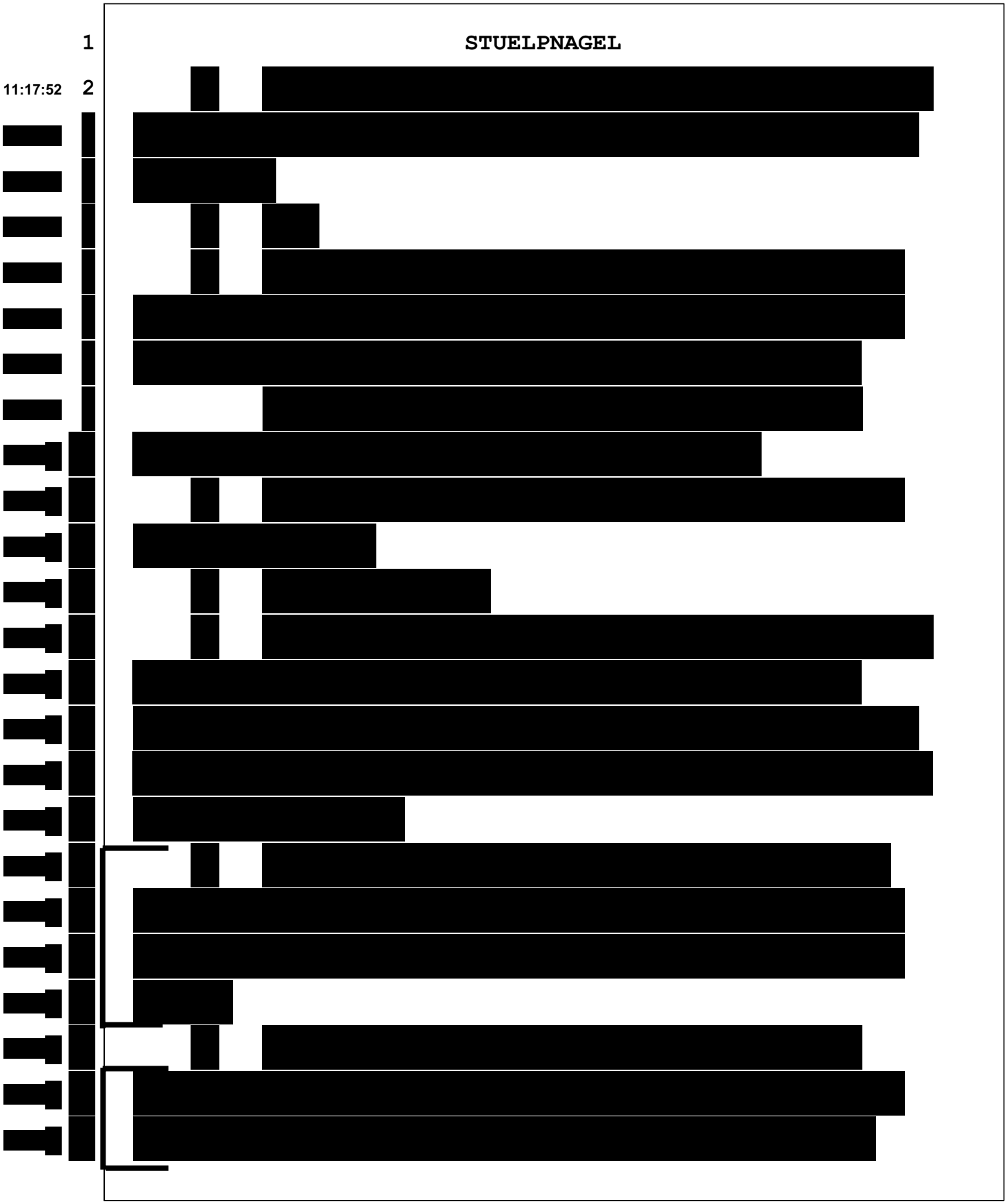
Q. Is Ariosa informing the market that the Harmony Prenatal Test can be used in any pregnant woman at any time after ten weeks?

MR. GINDLER: Objection to the form of the question.

THE WITNESS: I believe we are saying that the Harmony Test can be used at whatever the physician directs the test to be used for after ten weeks of gestation.

BY MR. ROTTER:

11:17:52



Q. If you could flip forward to page 49 of the PDF to the slide titled "Advocate Support for Aria."

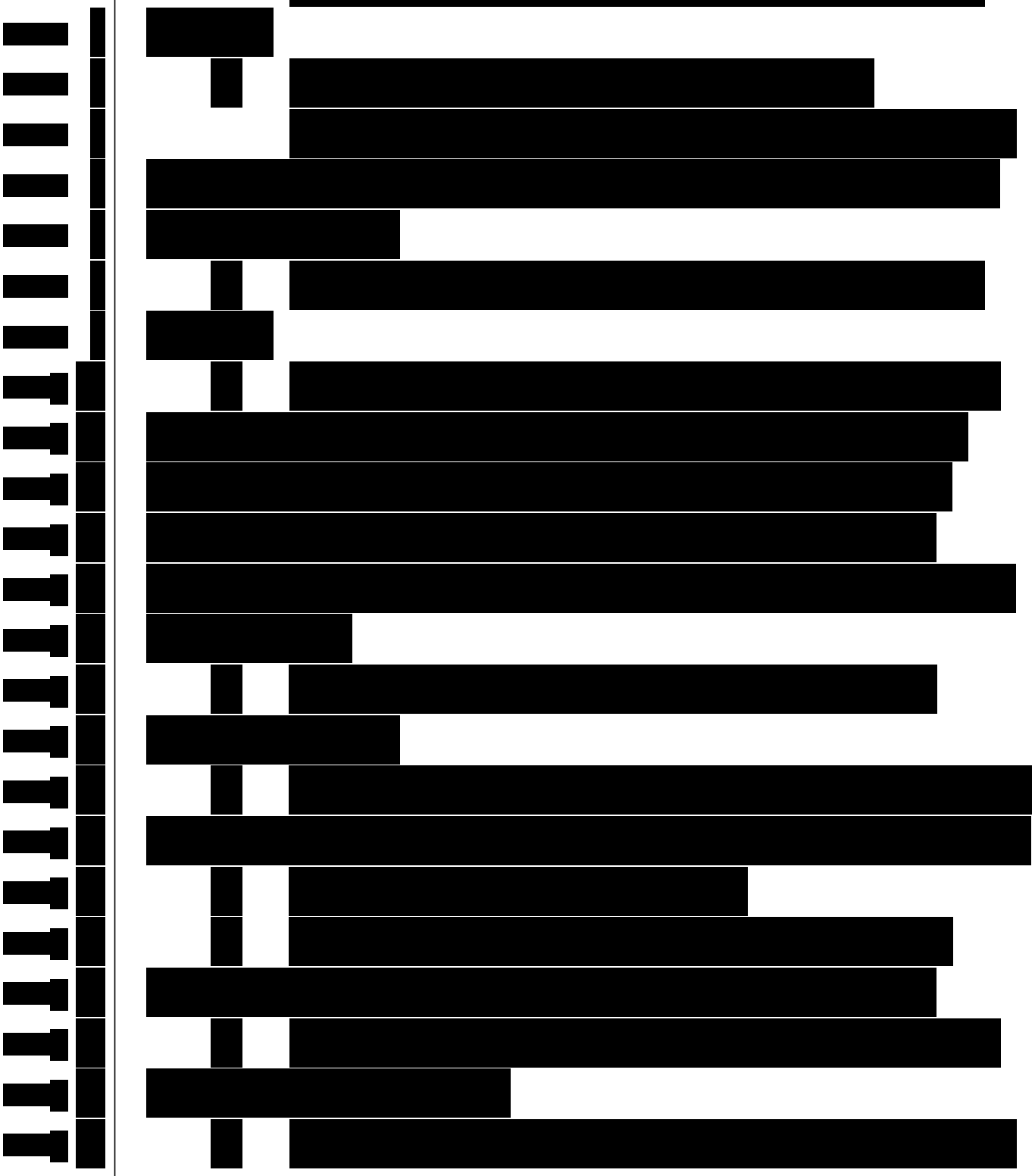
A. Yes.

Q. Do you have an understanding of what "Advocate Support for Aria" means?

A. I have not reviewed this specific slide, but my understanding of what we've been trying to do with respect to support for the Ariosa test is to engage special interest groups that have an interest in trisomies, specifically those foundations and associations with Down syndrome, with Trisomy 18 and Trisomy 13, and try to best figure out how we can work as partners in the process of helping patients get the information they need when a Harmony Prenatal Test comes back as high risk.

Q. Do you see in the slide what it says in the

12:05:32 Q. [redacted]



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BY MR. ROTTER:

Q. Does the share price of Sequenom impact Sequenom's -- I'll start that one over.

Does Sequenom's share price impact its ability to raise capital?

MR. GINDLER: Objection to form.

THE WITNESS: I don't think so. Obviously, when a company gets delisted or has a stock price less than $1, its ability to raise money is negatively impacted because of that stock price. Sequenom once encountered that problem and had to recapitalize and do a reverse split of their stock to get their stock price above $1.

So to the extent that any company falls below a certain minimum where institutional investors feel comfortable investing, your statement is correct; however, in the range that Sequenom is now trading, I have no information that variations on that stock price influence their ability to raise money at all.

MR. GINDLER: Before you do the next document, would it be okay if we took our lunch break now.

MR. ROTTER: It would.

MR. GINDLER: That would be great.

Elizabeth, can you get two copies of the

LabCorp agreement which are in 6-D.

MS. TWAN: Sure.

MR. GINDLER: Great.

We'll get a couple of hard copies for you.

MR. ROTTER: That would be great.

MR. GINDLER: I need to make a phone call. Now would be a good time to do it.

THE COURT REPORTER: We're going to go off the record if you don't mind.

THE VIDEOGRAPHER: Time off the record is 12:18 p.m.

THE VIDEOGRAPHER: Time back on the record is 1:35 p.m.

Counsel, you may proceed.

MR. ROTTER: I will mark the next exhibit, which is, I believe, 28.

(Exhibit No. 28 marked for identification.)

BY MR. ROTTER:

Q. Do you recognize Exhibit 28?

A. I do.

Q. What is it?

A. It's a pitch dec by a marketing third-party firm. What I don't know is whether we had actually

decided to work with them before this or if this was after we had our engagement letter signed.

Q. Could you flip forward to the page that's labeled at the bottom AD-16189.

Do you see at the bottom of that page, there's a sentence that starts with the words "key insight"?

A. I see that.

Q. [redacted]

Q. When did that work stop?

A. It would have been a few months ago. It was in the neighborhood of, you know, sort of a six-month,

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MaterniT21 test?

A. No. In fact, and I think I was appropriately careful in my declaration, too. We let the data be interpreted by people. We think both tests are very, very good. I think if you looked at the strict sensitivity and specificity numbers for Trisomy 21, you would come to maybe the quick conclusion that our test is better.

But you asked a very important point earlier around confidence intervals. And whenever we have cohorts of 100 or 200 or 50, there are error bars around simply the counting statistics of -- of being either good or lucky.

Q. Does Ariosa use its pricing to help the market understand that it is intended to be a replacement for a screening test?

MR. GINDLER: Objection to form.

THE WITNESS: Again, we don't characterize the use of our test to physicians. We are trying to be very, very careful here now and so I am trying to be careful here so I represent exactly how we feel about this.

We will support a physician however they decide to best use our test for their particular patient. If

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that is in front of an invasive test, we will certainly help that physician get those results. If they want to use this in conjunction with serum maternal screening or first trimester ultrasound and nuchal translucency, we'll support that, too.

If they want to use this as a complete replacement to quad maternal screening or replacement to first trimester screening, that's fine with us, too.

Our job so to make sure that we are performing this test well, we validated it and have made the right representations about our validation. So we actually don't think of our test as being a replacement for anything. We think of it as enabling the physician to make the choices that they can make using our test.

BY MR. ROTTER:

Q. But there are some applications for which you would -- strike that.

Is it fair to say that Ariosa would feel that it's appropriate for a physician to use the Harmony Test instead of serum maternal screening but that Ariosa does not feel that it's appropriate for a physician to use the Harmony Test instead of an invasive confirmatory procedure?

MR. GINDLER: Objection to form.

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01:44:58 THE WITNESS: Again, that is a decision that we
01:45:01 leave to the physician. We have reservations about
01:45:09 using our test as a replacement to invasive testing.
01:45:16 The data suggests that once somebody has an identifiable
01:45:21 abnormality on ultrasound or through other biochemical
01:45:25 tests, only 50 percent of those will be due to the
01:45:28 common trisomies, 13, 18 and 21. And so if the
01:45:31 physician decides to use the test in front of an
01:45:35 invasive procedure and decide if the test comes back
01:45:39 negative or low risk that they are not going to proceed
01:45:42 to an invasive test, then as long as the physician makes
01:45:47 clear to the patient the benefits of this test and the
01:45:52 limitations of this test, whether it's our test or
01:45:54 MaterniT21, we're comfortable with that positioning.
01:46:03 BY MR. ROTTER:
01:46:03 Q. Understood. But just to be clear, you would
01:46:06 not be comfortable with a physician recommending
01:46:10 termination of a pregnancy based solely on the
01:46:14 Harmony Test without further invasive confirmation?
01:46:17 A. So that, I agree with. So that, that point, I
01:46:20 actually do agree with, that these tests are too new to
01:46:25 be used in that diagnostic realm, that a positive NIPT
01:46:31 test, noninvasive prenatal -- prenatal test, whether
01:46:35 it's our test or Verinata's test or Sequenom's test,

STUELPNAGEL

BY MR. ROTTER:

Q. [redacted]

Q. Could you please flip forward to page 33.

Do you see that this slide refers to a soft launch from February 13 to May 7?

A. I see that.

Q. What is a "soft launch"?

completely how Verinata has positioned their test. I will say that they use essentially the same Sequenom technology, the MPSS, and thus, they have cost issues relative to us competitively.

BY MR. ROTTER:

Q. From what sources have you derived your understanding of Verinata's test?

A. From their published information on their clinical trials.

Q. Do you consider Verinata to be positioned as well as Ariosa in terms of commercial success?

A. I, again, don't have complete knowledge of how Verinata has chosen to position their test. I think Ariosa has significant competitive advantages over them.

Q. What are those?

A. Those are the similar ones that we have talked about relative to Sequenom, the fact that we have a more robust clinical trial program, that we provide a more informative result, that we have a simplified process for patients and doctors to use our test, and that we are accessible to all women because we have made our test more affordable.

Q. Is another advantage that Ariosa has over Verinata that its commercial rollout is further along?

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A. I think the opposite is true. I think Verinata would claim, and I think it's accurate, that they are more commercially advanced than Ariosa.

Q. Why is that?

A. It's my understanding that they have soft launched the test quite a while ago; that they have a national reach today; that they have hired more than 20 sales force that are responsible for moding the tests to those individuals that are trained and in the field.

Q. Does Verinata have a distribution partner like Ariosa has LabCorp?

A. No. As far as I know, Verinata does not have a distribution partner.

Q. Has Ariosa lost any sales to Verinata?

A. I don't know the answer to that.

Q. Do you know whether the reverse is true, that Verinata has lost any sales to Ariosa?

A. I don't know the answer to that either.

Q. Do you believe that Ariosa's nationwide sales force of 20 sales representatives will be as effective for marketing as Ariosa's partnership with LabCorp?

A. Just a correction, I think you referred to Ariosa's 20-person sales force and I believe it was Verinata's 20-person sales force that you meant to ask.

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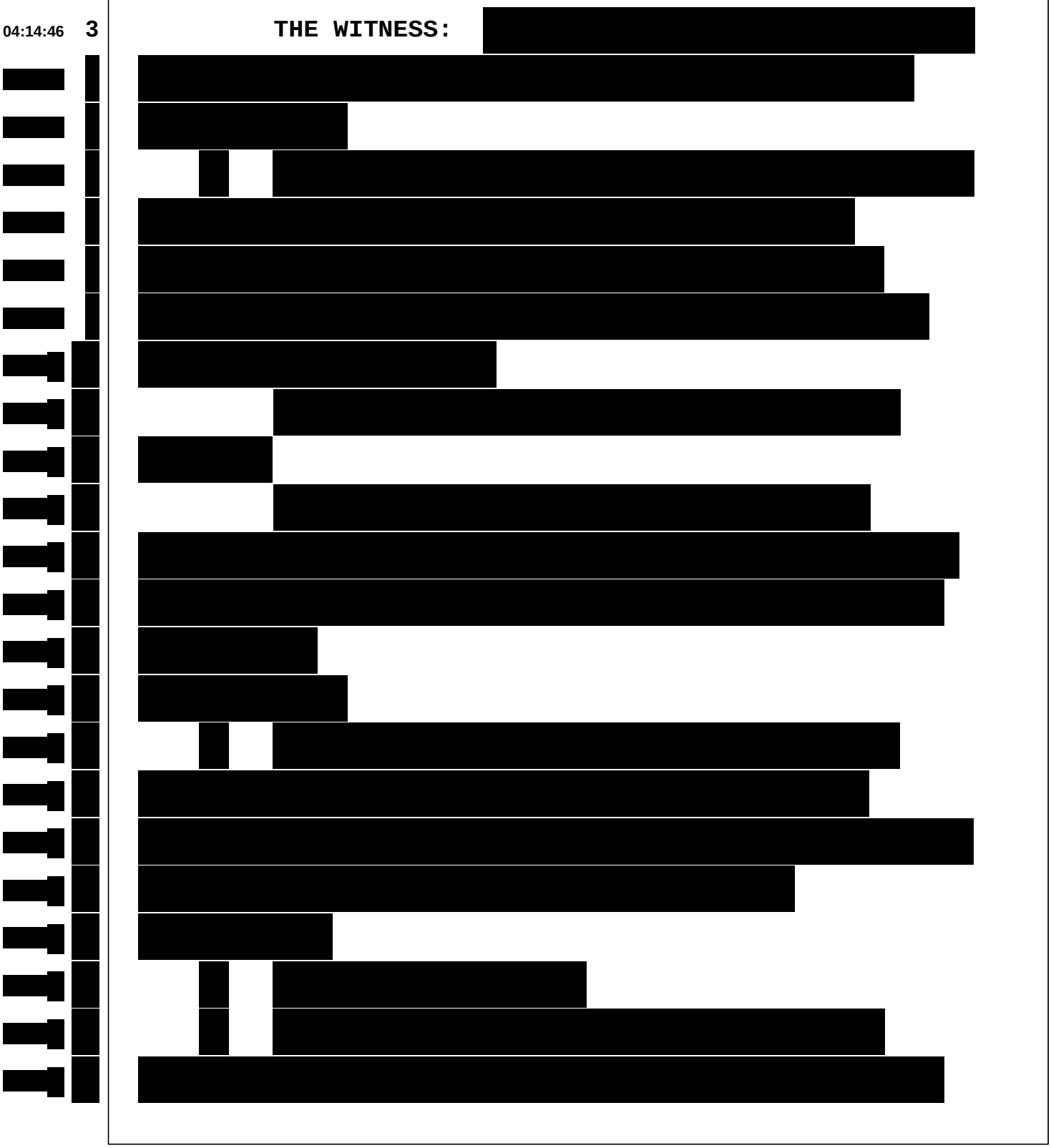
(The record was read.)

04:14:45

04:14:46

THE WITNESS: [redacted]



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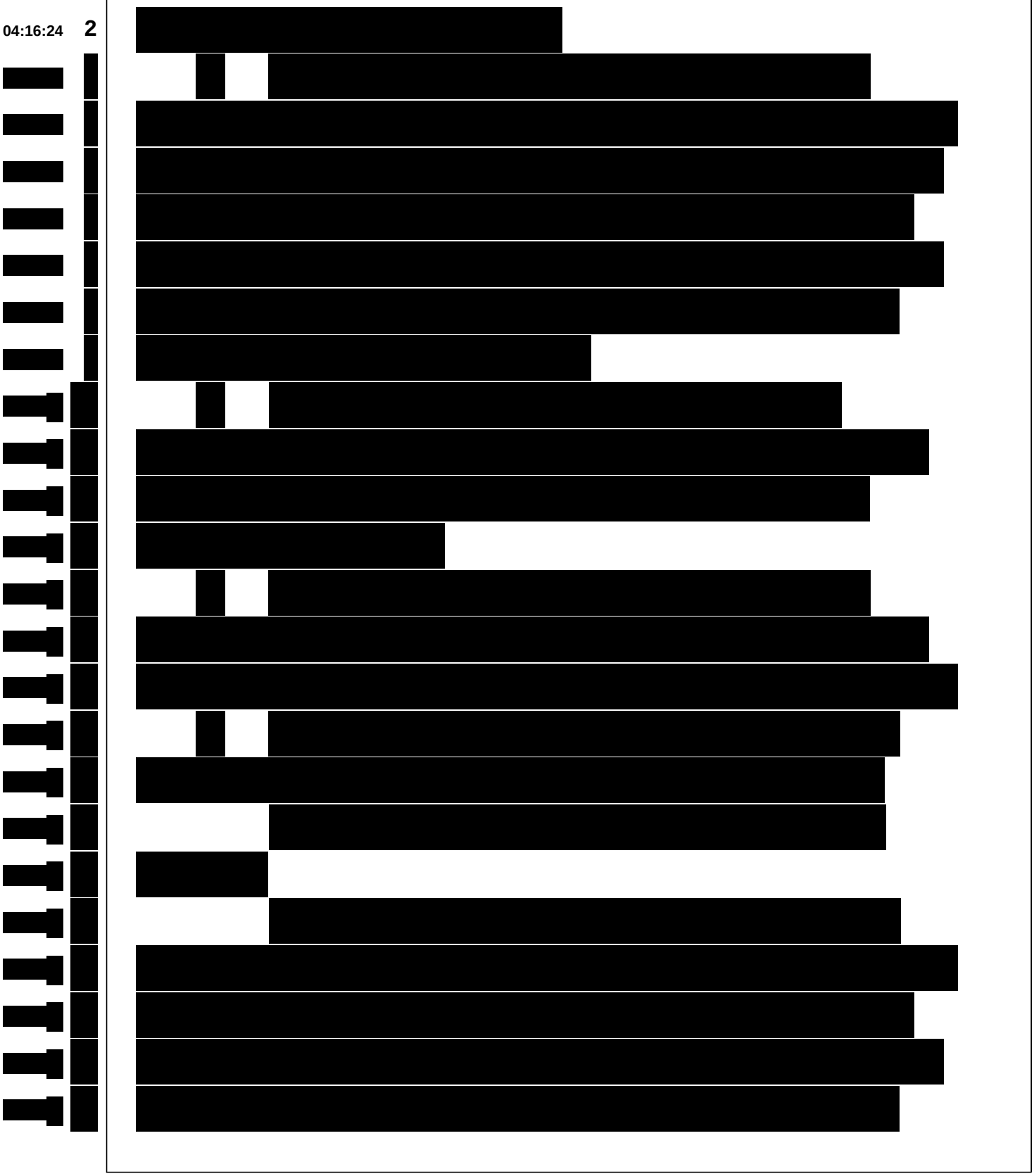

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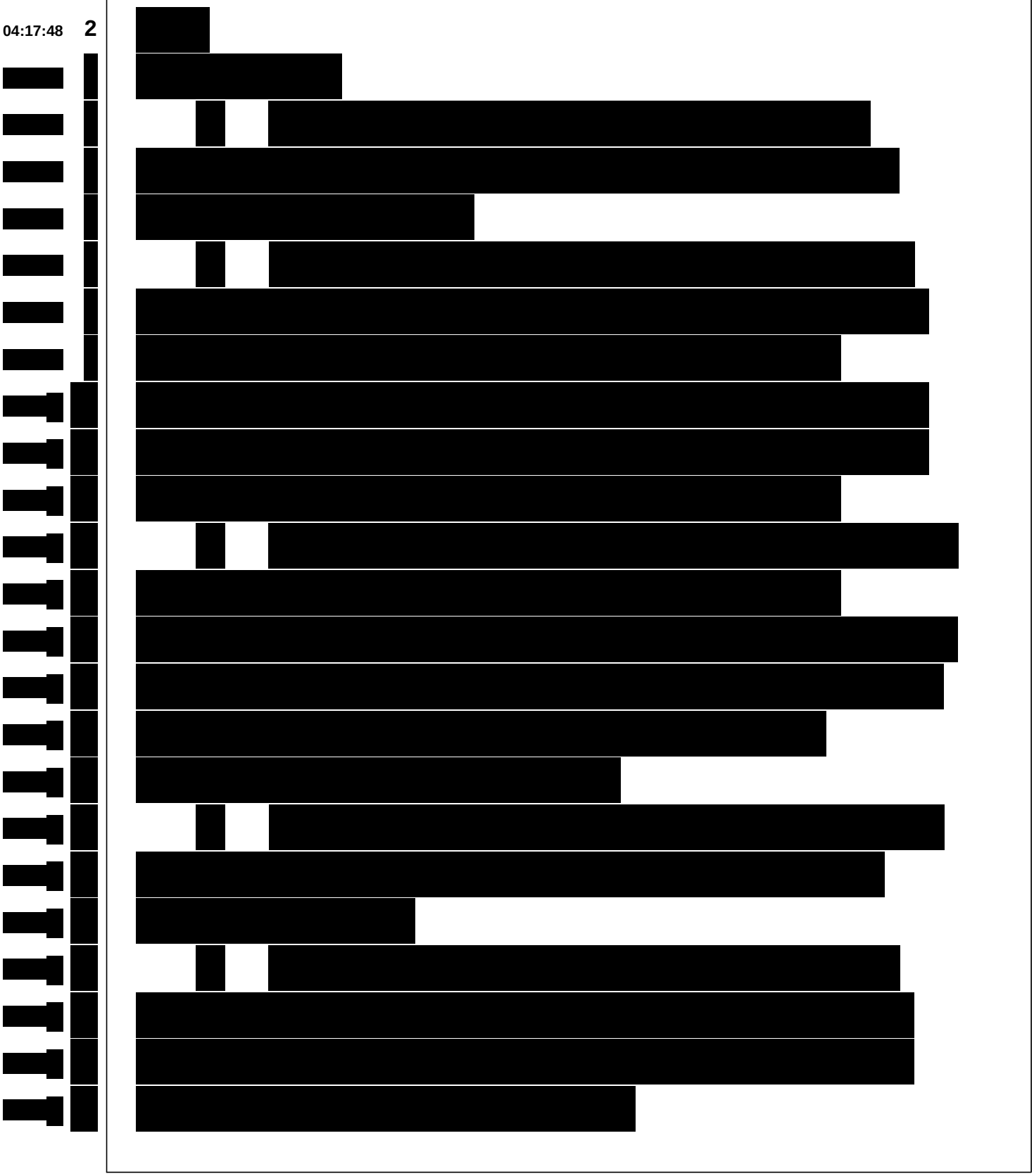
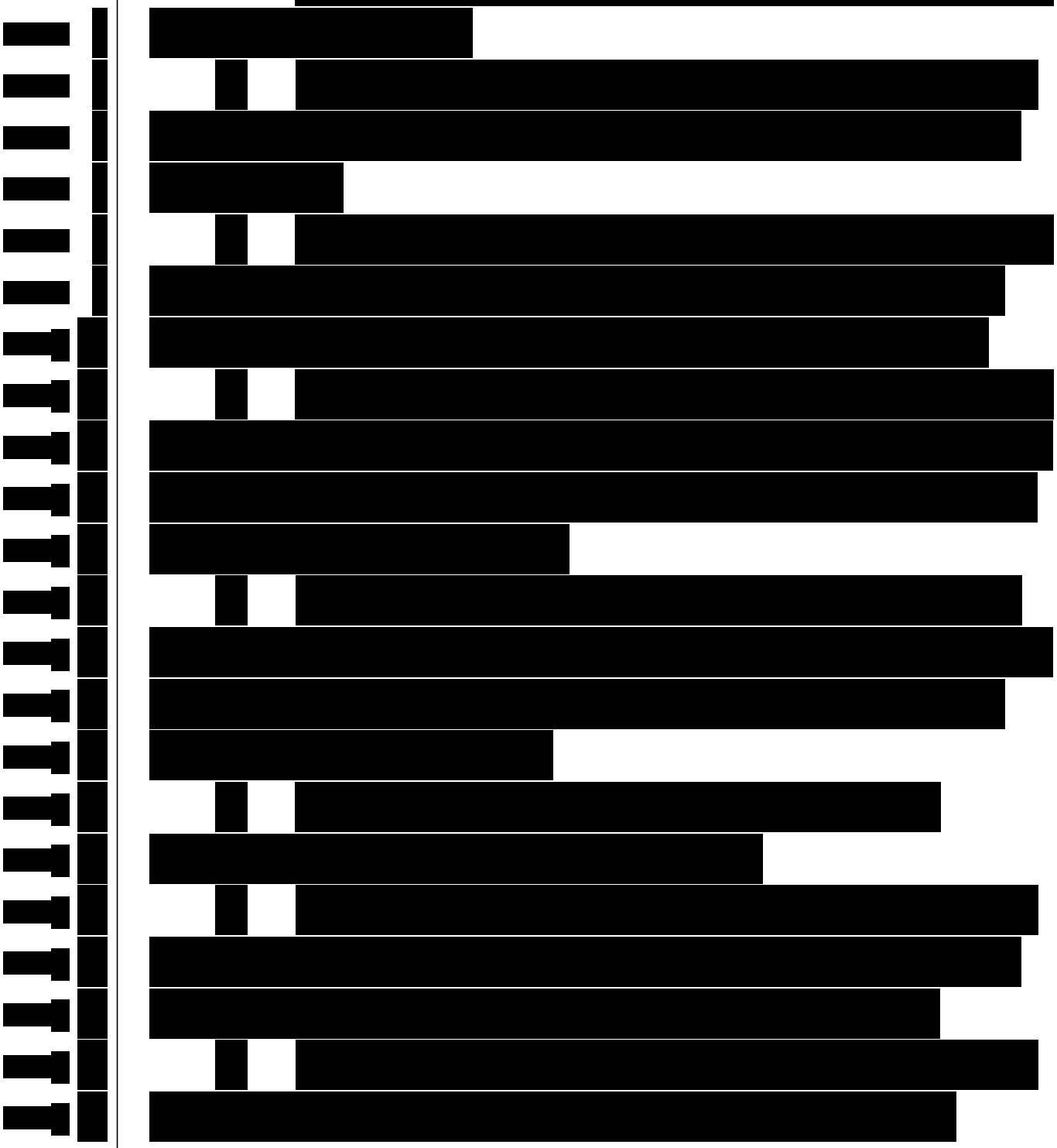


04:22:16 which you can --

04:22:17 A. [redacted]



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A. [redacted]

MR. ROTTER: We will mark the next exhibit, which is 38.

(Exhibit No. 38 marked for identification.)

BY MR. ROTTER:

Q. Do you recognize Exhibit 38?

A. I recognize Exhibit 38.

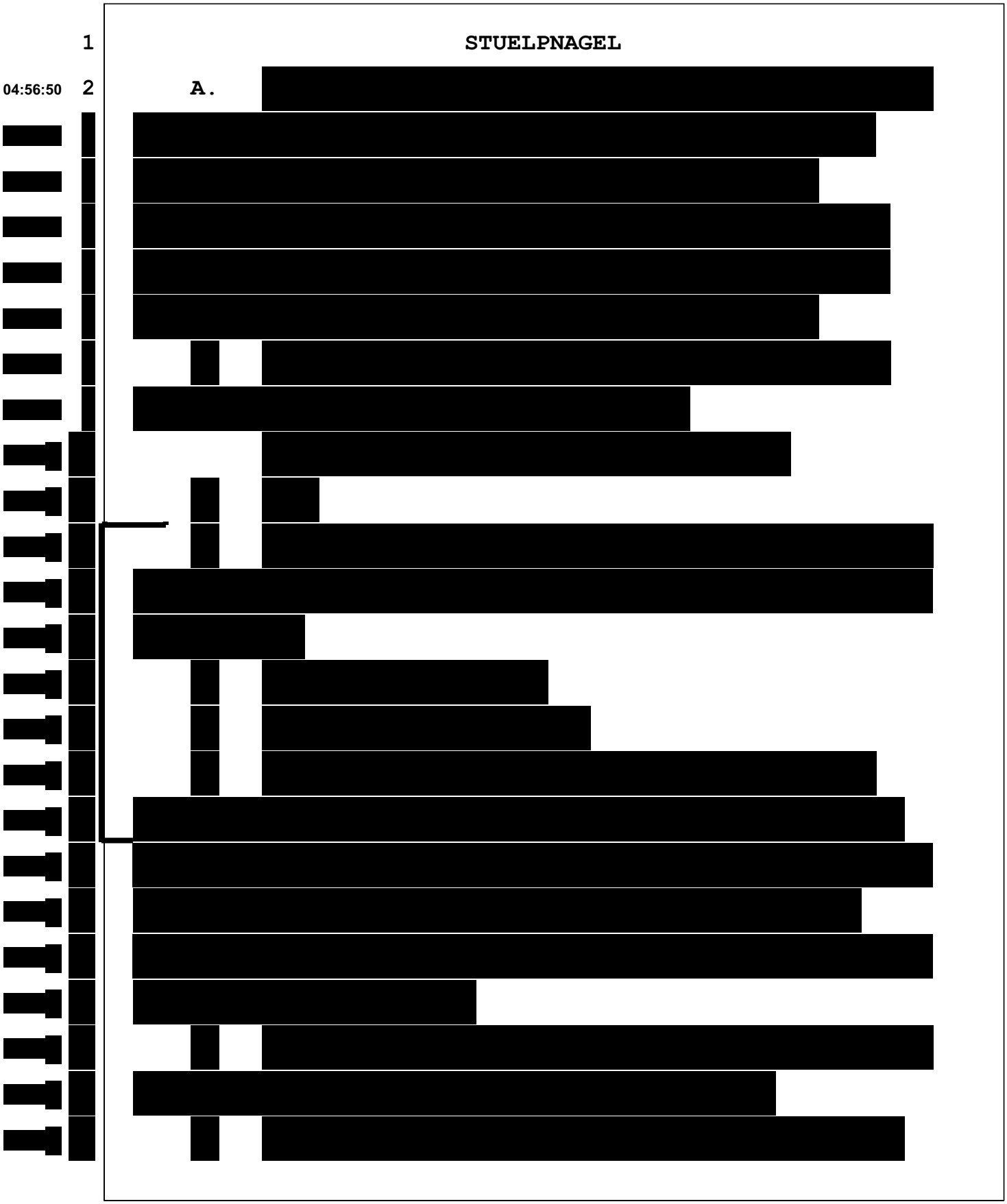
Q. What is it?

A. It's an e-mail that I sent to an acquaintance of mine named Chuck Ludlam.

Q. Do you see the second sentence where it says, referring to Ariosa, "We have purposefully been quiet and are surprised to see that we are even mentioned in this story"?

A. I do see that.

04:56:50 A. [redacted]



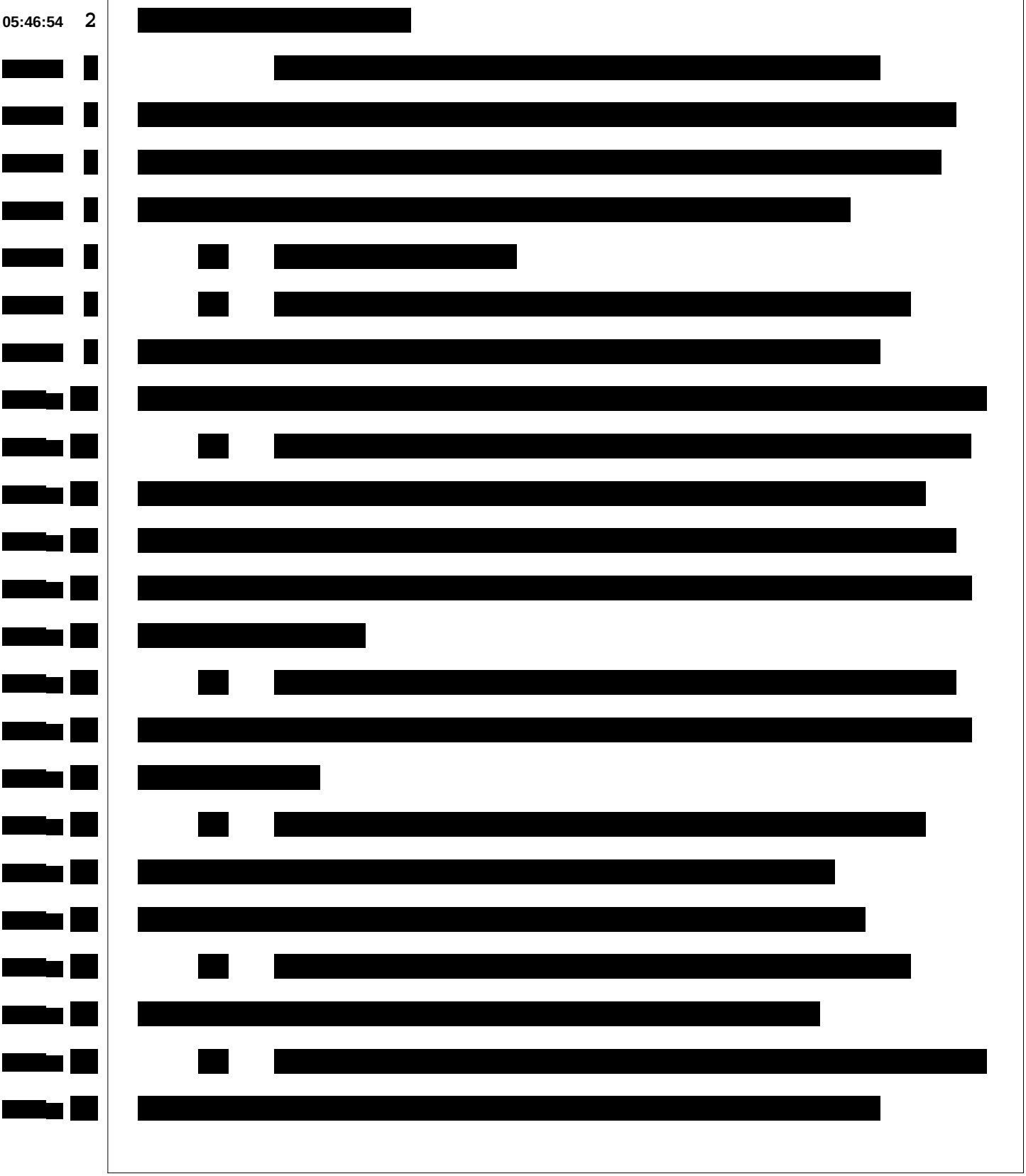
Q. When Ariosa assessed its entry into the market, did it assess possible barriers to entry?

A. Certainly, we have assessed periodically barriers to entry.

Q. Did -- are you aware of any market analysts who have believed that the 540 patent may be a barrier to Ariosa's entry?

A. I am familiar with statements made by Sequenom

05:46:54



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THE WITNESS: Actually, not based upon the first Sparks paper. In the first Sparks paper, we actually had perfect separation between our affected groups with T21 and T18 and our unaffected normal average-risk population. So based upon that, we could have used a Z score cutoff and had a 100 percent sensitivity and 100 percent specificity in that study.

However, we don't think that that provides the best result for the patients and the physicians. And so by incorporating risk odds, we can individualize our score and provide better information to those women and to those physicians.

BY MR. ROTTER:

Q. And is it correct that the ability to provide the risk odds and that individualized determination depends on using the fetal fraction calculated from the polymorphic DNA?

A. It requires the incorporation of percent fetal. We believe that it needs to be done in a very precise manner. One could conceivably calculate percent fetal in a different way and not use polymorphic loci to do that.

MR. ROTTER: Mr. Gindler, do you have any questions for the witness?

A C K N O W L E D G M E N T

STATE OF)
) ss.:
COUNTY OF)

I, JOHN R. STUELPNAGEL, DVM, hereby certify that I have read the transcript of my testimony taken under oath in my deposition; that the transcript is a true, complete and correct record of my testimony, and that the answers on the record as given by me are true and correct.

_____

JOHN R. STUELPNAGEL, DVM

Signed and subscribed to before me, this _____ day of _____, 20__.

_____

Notary Public, State of _____

C E R T I F I C A T E

STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

I, Lynette Marie Nelson, Certified Shorthand Reporter, in and for the State of California, Certificate No. 11585,do hereby certify:

That the witness in the foregoing deposition was by me first duly sworn to testify to the truth, the whole truth, and nothing but the truth in the foregoing cause; that the deposition was then reported by me in shorthand and transcribed, through computer-aided transcription, under my direction; and that the foregoing transcript, is a true record of the testimony elicited and proceedings had at said deposition.

I do further certify that I am a disinterested person and am in no way interested in the outcome of this action or connection with or related to any of the parties in this action or to their respective counsel.

In witness whereof, I have hereunto set my hand this 23rd day of May, 2012.

Lynette Marie Nelson, CSR No. 11585